



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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Third District

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Fifth District

September 1, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

Hospital Financing Waiver

Members of the Disproportionate Share Hospital (DSH) Task Force continue to work together, and with the Legislature and the Administration to resolve the remaining open Waiver issues. They are: an appropriate appeal process for public and private safety net hospitals, the amount of Waiver authority and funding that should be given to the California Medical Assistance Commission (CMAC)—the agency that negotiates Medi-Cal hospital rates and the Medi-Cal managed care expansion for the aged, blind, and disabled.

Legislative staff have submitted language to Legislative Counsel for drafting. However, it should be noted that the language, which was primarily written by the attorneys for the DSH Task Force, has been given to legislative staff and the Administration, but it has not been shared with the DHS Task Force. Our advocates and the DSH Task Force's lobbyists are diligently working with key legislators to obtain a copy of the draft to ensure that the final language reflects the DSH Task Force's approach. As of this writing, there is still no author or bill number, and it is still unclear when, or if any, public hearings will be held.

Transfer of Court Facilities

At the request of State Senator Joe Dunn, county and court representatives convened a meeting on Monday, August 29, 2005, to discuss seismic safety issues relative to the transfer of court facilities.

Under the provisions of SB 1732 (Escutia), the Trial Court Facilities Act of 2002, the deadline for the transfer of court facilities from counties to the courts is June 30, 2007. Thus far, only one facility has been transferred, and it is believed that transfer negotiations for all facilities cannot be concluded before the deadline. Under SB 1732, seismically "unacceptable" facilities (rated a Level V risk and above) are not transferable. Over 50 percent of the facilities evaluated through the statutorily required assessment process are rated Level V, and therefore, may fall into the non-transferable category.

The Administrative Office of the Courts, working with the Department of Finance, has proposed to allow the transfer of Level V facilities to the State, if counties retain liability for the buildings only in the event of an earthquake, and for any damage that results from the seismic event. Otherwise, the transfer of facilities would remain a negotiated and elective choice for counties. Counties would retain liability for any buildings that are not transferred to the courts.

A related issue is how the State will pay for future improvements that will remove a county's liability for a building that was transferred. Current estimates include \$1.2 billion for statewide retrofitting, however, the State would also inherit responsibility for new facility needs, boosting the estimated total cost to almost \$10 billion. SB 395 (Escutia), as amended May 31, 2005, proposes a statewide bond program, but the bill is currently being held in the Assembly Appropriations Committee, and does not appear to be moving this year.

County and court representatives are currently circulating draft legislative language to address the Level V restrictions because Senator Dunn plans to incorporate the language into an existing legislative vehicle before the end of the legislative year that concludes on September 9, 2005.

Status of County-Interest Legislation

County-supported if amended AB 109 (Chan), which would require county First 5 commissions to adopt policies regarding conflict of interest, contracting, and procurement procedures, adopt a limit on the amount of their operating budget that can be spent on administrative functions, adopt policies and processes establishing the salaries and benefits of employees of the county commission, and send their annual audit and report to the State First 5 Commission, passed the Assembly Floor by a vote of 76 to 2 and was sent to the Governor.

County-supported AB 208 (Gordon and Parra), which would authorize school districts that have elected to become a school district of choice prior to April 1, 2005, to give priority for transfers for the children of military personnel, and to establish specific timelines within which a transfer must be requested by the parent or guardian, has been signed by the Governor.

County-supported AB 327 (De La Torre), which would establish a new, voluntary \$50 fee for the issuance or renewal of a physician and surgeon's license certificate to fund the Steven M. Thompson Physician Corps Loan Repayment Program, passed the Assembly on August 29, 2005 by a vote of 52 to 26, and now proceeds to the Governor.

County-supported AB 547 (Berg), which would repeal the requirement that a city or county authorize its needle exchange program through a declaration of a local public health emergency, passed the Assembly on August 29, 2005 by a vote of 47 to 31, and now proceeds to the Governor.

County-supported AB 862 (Bass), which would direct the State Department of Corrections and Rehabilitation to provide information on how to modify child support orders to every inmate who is a parent of a minor, passed the Assembly on August 29, 2005 by a vote of 41 to 34, and now proceeds to the Governor.

County-sponsored AJR 22 (Bass), which requests Congress and the President to enact an exemption to the Family Educational Rights and Privacy Act (FERPA) so that county child death review teams may have access to relevant student records, was chaptered on August 30, 2005.

County-supported SB 57 (Alarcon), which would augment the Emergency Medical Services Fund by allowing counties to collect an additional \$2 penalty assessment on every \$10 penalty for all criminal offenses and moving violations, passed the Assembly on August 30, 2005 by a vote of 42 to 35, and now goes back to the Senate for concurrence in Assembly amendments.

County-sponsored SB 116 (Dutton), which would repeal the sunset date on the Safely Surrendered Baby Program, passed the Assembly on August 30, 2005 by a vote of 79 to 0, and now goes back to the Senate for concurrence in the Assembly's technical amendment.

County-supported SB 578 (Escutia), which would require a railroad corporation to promptly notify the Office of Emergency Services, the California Highway Patrol, and designated county public safety agencies in an endangered area, of certain information relative to hazardous materials, and in certain events, of train and track locations, whether or not an accident or spill occurs, passed the Senate Floor on August 29, 2005 by a vote of 27 to 6, and now proceeds to the Governor.

County-supported Senate Bill 640 (Escutia), which would appropriate \$5 million in one-time-only Federal quality carryover child development funds to continue local programs of training and technical assistance to child care providers to increase their capacity to care for children with disabilities, passed the Assembly on August 31, 2005 by a vote of 48 to 13 and now proceeds to the Senate for concurrence in Assembly amendments.

County-supported SB 861 (Speier), which would allow local governments greater flexibility in controlling vicious dogs by enacting breed specific spay and neuter requirements, received Senate concurrence in Assembly amendments, on Wednesday, August 30, 2005, by a vote of 22 to 15. The bill now awaits action by the Governor.

Other Legislation of County Interest

On Tuesday, the Senate Judiciary Committee considered one bill and two constitutional amendments affecting eminent domain. The Committee passed **AB 1162 (Mullin and Salinas)** by a vote of 5 to 2, held **SCA 12 (Torlakson and Kehoe)** for further study, and failed to pass **SCA 15 (McClintock)** by a vote of 2 to 3.

AB 1162, as amended on August 18, 2005, would prohibit the use of eminent domain to acquire owner-occupied residential property for private use until January 1, 2008. Private use is defined as any use other than as a public facility that is owned and operated by the public facility. The bill also requires the California Research Bureau of the State Library to report to the Legislature before January 1, 2007 on all uses of eminent domain by public entities to acquire owner-occupied property for private use.

SCA 12, as amended on August 15, 2005, is a proposed Constitutional amendment which is designated the "California Homeowners' Protection Act." It stipulates that eminent domain is restricted to public use and that the phrase "public use" does not include the taking of owner-occupied residential property for private use.

SCA 15 (McClintock), as amended on August 23, 2005, is a proposed constitutional amendment, which would prohibit private property from being taken for private use. It would restrict the right of local governments to use eminent domain proceedings by requiring that property taken under eminent domain must be for a stated public purpose and can be taken only after an independent judicial determination that no reasonable alternative exists.

AB 1234 (Salinas), which would allow counties to compensate appointed members of commissions for attendance at meetings, conferences or training events, and require members of a Board-appointed commission, who receive any type of compensation for expenses incurred in the performance of their official duties, local elected officials, and

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designated County employees to receive at least two hours of training in general ethics principles every two years, passed the Assembly on August 30, 2005 by a vote of 78 to 0, and now proceeds to the Governor.

We will continue to keep you advised.

DEJ:GK
MAL:EW:MR:VE:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants